

# ENGINEERING CONTRACT

## LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS • OFFICE OF PUBLIC HEALTH

An **Engineering Contract** is a written agreement between a public water system's owner and a Professional Engineer, or a company providing professional engineering services. It is required anytime a water system intends to seek DWRLF assistance and must be submitted to and accepted by DWRLF prior to execution of the Loan Agreement. The only exceptions, with DWRLF pre-approval, are 1) when a water system engages a second engineer to either replace the first or for additional work not under the scope of work of the first engineering contract, or 2) when a water system has its own engineering staff. The engineering contract must be accepted before any engineering or associated costs will be considered eligible for reimbursement with DWRLF funds.

### ENGINEERING CONTRACT REQUIRED PROVISIONS

The Engineering Contract may be a document written specific to the work being done, or it may be a general standardized document that an engineering company uses for all clients. Regardless of the type, the Engineering Contract must specifically state/address the following provisions in order to be accepted and considered eligible for reimbursement:

1. The Consultant Engineer will prepare and submit the following documents to DHH-OPH/DWRLF for review and acceptance per program requirements:
  - (a) The System Improvement Plan (See the "DWRLF System Improvement Plan with Environmental Impacts Guidance Document");
  - (b) The Plans and Specifications (See the "DWRLF Plans and Specifications Guidance Document");
  - (c) The Comprehensive System-Wide Operation and Maintenance (O&M) Manual covering the entire water system including the proposed project additions (See the "DWRLF O&M Manual Guidance Document").
2. Whether the Consultant Engineer or the Water System will submit to DHH-OPH/DWRLF for review and acceptance:
  - (a) Addenda and Change Orders (See the "DWRLF Addenda and Change Orders Guidance Document");
  - (b) Bid and Executed Contract Documents (See the "DWRLF Bid and Executed Contract Documents Guidance Document").
3. The itemized engineering fees (exact price) for completing (a) the System Improvement Plan (SIP), (b) the Plans and Specifications, and (c) the Operation & Maintenance (O&M) Manual.
4. Whether the Consultant Engineer or the Water System will be responsible for the hiring and the billing cost of the Resident Inspector. *Note:* Typically, the consultant engineer is responsible for the hiring and the billing of the resident inspector. However there are various reasons and circumstances when water systems may wish to utilize staff personnel as resident inspectors. For governmental entities (i.e. public water systems) there may be ethical considerations that should be evaluated when deciding to do this. DWRLF does not recommend this practice, but will allow it with certain conditions:
  - (a) For applicants that wish to utilize their own staff to serve as the Resident Inspector for the project, the "**DWRLF Guidance Document for Using Force Account Labor**" must be strictly followed.
  - (b) The qualifications and resume of the prospective inspector must be submitted for ALL Resident Inspectors;
  - (b) A sample payment invoice must be submitted for acceptance;
  - (c) A sample inspection report (daily and monthly, if applicable) must be submitted for acceptance (or utilization of the 'DWRLF Daily RI Inspection Report Form');
  - (d) A written inspection procedure may be required to be submitted for acceptance;
  - (e) All Resident Inspector Inspection Reports and required Force Account Labor documentation must be submitted with payment invoices for reimbursement.
5. Whether the Consultant Engineer or the Water System will be responsible for:
  - (a) Preparing and submitting Payment Requests to DHH-OPH/DWRLF for payment;
  - (b) Filing of the Contract(s) with the parish clerk of court's office.
6. Whether the Consultant Engineer or the Water System will be responsible for the hiring and the billing cost of the Davis Bacon Act (DBA) Administrative Consultant (a.k.a. 'Labor Compliance Officer'), whom must also be submitted

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to DHH-OPH/DWRLF for approval (See the “DWRLF Approved DBA Administrative Consultants” list).

7. **NEW:** For Projects where the **American Iron and Steel (AIS) Requirement** applies (Loans closed after Jan. 17, 2014 and contract Plans and Specifications approved after Jan. 17, 2014), **a statement is required that the Engineer will be responsible for ensuring that Contractors maintain and provide adequate AIS verification documentation (i.e. Manufacturer’s Certification, AIS Waiver Documentation, Materials Invoices, etc.)** to the water system and DWRLF for meeting the project’s AIS Requirement. This should be monitored or completed through the use of the Resident Inspector (RI) and noted on the RI’s Daily Inspection Report Form (an AIS Requirement section has been added to the DWRLF RI Daily Inspection Report Form). The RI should note all materials delivered to the site wherein the AIS Requirement would apply and collect Manufacturer Certifications for those materials or add them to the project’s AIS De Minimis Waiver list, wherein invoices for those particular materials would need to be collected. The Engineer must maintain an up-to-date AIS Materials List with Certifications and an up-to-date AIS De Minimis Waiver List with Invoices to be reviewed by DWRLF during inspections and provided to the water system at the end of the project. If an AIS De Minimis Waiver is being used, invoices for ALL project components will be needed to compare total materials cost to the AIS De Minimis Waiver materials cost in order to come up with a % of AIS De Minimis Waivered materials – this will also need to be kept up-to-date for inspections. A separate line item for doing this work may be provided on the project budget (Pay Request Form 105). The Engineer may also pass this requirement onto the Contractor(s), but ultimately the Engineer will be responsible.